



M E K E T A I N V E S T M E N T G R O U P

B O S T O N

S A N D I E G O

March 29, 2011

Dr. Louis Moret
Chair, Investment Policy Subcommittee
California Public Employees' Retirement System
400 Q Street
Sacramento, CA 95814

**RE: ADOPTION OF POLICY FOR THE ROLE OF PRIVATE ASSET CLASS BOARD
INVESTMENT CONSULTANTS**

Dear Dr. Moret:

As Infrastructure Consultant to the Board, Meketa Investment Group was asked to provide an opinion on Staff's recommendation to adopt the Policy for the Role of Private Asset Class Board Investment Consultants. We have reviewed the materials prepared by Staff and presented to the Policy Subcommittee in December 2010 and February 2011.

We support the Board's objective of increasing its ability to manage both potential conflicts and economics in the use of consultants at CalPERS. And, in general, we agree with Staff's recommendation to clarify the roles of private asset class consultants through the adoption of the proposed policy.

However, we note that the proposal to prohibit Primary Board Consultants for the Asset Classes from performing any and all work for Staff on special projects may restrict the ability of Staff, or the Board, to engage consultants whom they determine to be the most competitive in terms of expertise for the specific project or in terms of cost.

Please do not hesitate to contact us with any questions or comments.

Sincerely,

David Altshuler
Senior Vice President

Stephen P. McCourt
Managing Principal

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